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ABSTRACT

The types of health insurance coverage desired by students and their current coverage were studied at the University of Maryland, Baltimore County, (UMBC), and implications of the findings for selecting a new university insurance plan were evaluated. A total of 340 questionnaire respondents provided information on their current coverage, their needs for and attitudes about a future student health insurance policy, and their perceptions of a possible mandatory policy statement on insurance. Student age, sex, and race were found to influence current insurance holdings. For example, females more often than males obtained insurance through their parents, while males more often had their own insurance. It was found that more than a tenth of UMBC students had no insurance coverage, and a disproportionate number of uninsured students were minority. While many students depended on their parents' policies to cover them up to age 22, an increasing number of students in their later twenties did not have insurance. Slightly more than half the students had never heard of the current university plan, which costs $99 per year. Older students were more interested in psychiatric and maternity coverage, as well as coverage of their spouses and children. (SW)

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A Student Health Insurance Needs Survey

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Research Report #2
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Among the extra-curricular ways a university often provides assistance and support for its students is a student health insurance plan. Such plans typically offer low-cost benefits, for the purpose of preventing soaring medical costs from interfering with a student's education. Particularly since many college students are of the age when their parents' insurance plan ceases coverage and the students often do not yet have insurance options through places of employment, student health insurance can provide good coverage for the transitional years between childhood and adulthood.

Despite the high cost of medical assistance, nearly a fifth of the general U.S. population under age 65 have no health insurance (according to studies cited by Hainberg, 1980). Government statistics show approximately the same percentage of persons 19-24 carrying no insurance (cited by Flynn, 1979). While the reasons for having no insurance may vary, there is some preliminary evidence (Leopold, 1980) that suggests that benefits and cost are two important attributes in determining college students' decisions about insurance. If these reasons are indeed most salient, we could expect that tailoring the benefits and cost of a university student health insurance plan would provide greater incentive for more students to buy the plan.

In the fall of 1980, UMBC Student Health Services began taking a closer look at the student health insurance plan, with the idea of possibly re-designing the coverage to better

suit students' needs. The current plan enrolled only about 3% of the UMBC students, and the University had no information on whether or not the remainder of the student body had insurance coverage elsewhere. The percentage of UMBC students participating in the University's insurance plan is relatively low compared to such percentages at other schools (Flynn, 1979, found percentages ranging from 3% to 100%, with the average about 40%). These data suggest either that our insurance plan may not be fulfilling the students' needs, that the university policy regarding insurance coverage could perhaps be revamped, and/or that our students just did not know about the plan being offered to them. Thus, a survey of UMBC students was planned, to gather information for future policy decisions.

The major questions of the study were concerned with student needs. What types of coverage do students want? What are they willing to pay for this coverage? Are all types of students similar in their insurance needs, or is there a need for a more flexible or individually tailored plan?

We also were interested in students' current insurance enrollment. If they do not have the university plan, through what source do they get insurance? How many have no coverage? For what reasons did they decide against the university plan?

To answer these questions and to have data on which to base the choice of a new student health insurance plan, the current study was done. By surveying a large number of students and examining their responses according to various de-

mographic characteristics such as age, race, sex, and residence, we could more accurately and responsively design future insurance plans and educational programs.

METHOD

Subjects. A sample of 340 UMBC undergraduate students responded to the health insurance survey. The demographic characteristics of the sampled group were as follows:

Sex:	37% Male 63% Female	Race:	18% Black 74% White 6% Asian 2% Other
Age:	77% 17-22 23% over 22		
Status:	94% Full-time students 6% Part-time students	Residence:	44% On campus 32% With parents 23% Independent

These characteristics are fairly representative of the UMBC student population, with the exceptions of females and on-campus residents being over-represented in the sample. By looking at the response of such subgroups separately, however, it is possible to extrapolate rather accurately what responses the actual student population would have made.

Questionnaire. A questionnaire was developed to: a) examine current health insurance coverage, b) determine needs for and attitudes about a future student health insurance policy, and c) study students' perceptions of a possible mandatory policy statement on insurance. The Student Advisory Board of the Student Health Services suggested types and formats of questionnaire items. After a pilot study was done to determine whether the questionnaire was effective in eliciting the desired information, the final draft of the questionnaire was completed, in-

cluding five multiple-choice demographic items and ten multiple-choice insurance items. Responding to the questionnaire required no more than five minutes, an important consideration given the method of data collection.

Procedure. The predominant distribution of questionnaires was done by the Student Advisory Board at Spring 1981 Registration. Additional questionnaires were distributed at the Health Center and in a basic Education course. The survey was not technically a random one, but the large number and wide range of students sampled increase the amount of confidence that can be placed in the generalizability of the results. That is, while we cannot be completely certain that the sample is representative of the entire UMBC student population, the conclusions based on this sample are probably valid for the population.

Analysis. The data were summarized through descriptive statistics, followed by an examination of subgroup differences using the chi-square analysis to determine whether such differences were larger than those expected due to chance alone. All subgroup differences reported below were significant at the $p < .05$ level, such that the probability of these differences occurring by chance alone is less than 5 out of 100. Differences between subgroups are not reported if there was a higher probability of chance occurrence.

RESULTS

Current Health Insurance

Current Policy Holder. We first investigated through

whom the students now have health insurance. Most (66%) have health insurance through their parents, while a substantial number have their own health insurance (16%) or get it through their spouse (7%). Thus, while the majority of students follow traditional student patterns of being dependent on their parents' insurance, there are large proportions of UMBC students who obtain insurance more independently. In addition, it is of particular interest to note that 11% of the students currently have no health insurance at all. Educational programs about insurance and marketing of university policies need to be oriented toward this sizable subgroup of non-insurance holders, taking into consideration their needs.

Are there differences for various student subgroups in terms of through whom they obtain insurance? We found that a student's sex, age, and race all influence current insurance holdings. Females more often than males got insurance through their parents (females, 69%; males, 59%) or spouses (females, 9%; males, 3%), while males more often obtained their own insurance (females, 13%; males, 22%). Somewhat more males (14%) than females (8%) have no insurance.

In a predictable fashion, students older than 22 more often obtained insurance through a spouse (older, 24%; younger, 2%) or themselves (older, 43%; younger, 8%), and less often through parents (older, 12%; younger, 82%). These older students also are less likely to have any health insurance (21% of older have no insurance, compared to 8% of younger students).

This relationship, however, is somewhat complex, with students in their 20's and 30's more often lacking insurance, and students older than this often obtaining insurance.

Race was also an important variable here. Many more of the Asians (58%) and students of other minority races (38%) had no health insurance, as compared to Blacks (12%) and Whites (7%). Of those having insurance, however, there was little difference among the races regarding through whom they got the insurance.

Since males were somewhat underrepresented in our sample, and males tended more often not to have insurance, it is probable that the 11% figure indicating those students having no insurance is a slight underestimate. It would seem helpful to further educate UMBC students in the need for health insurance, with particular focus on those subgroups who tend not to have it: males, students in their 20's and 30's, and non-Black minority students. One might suspect that common reasons for these students not having insurance include lack of money and cultural differences in the perceptions of the necessity of insurance coverage. (Further evidence for this speculation is provided in later results.)

Policy Sources. Next we asked about the source for current health insurance policies. The most popular sources are through the student's or another family member's work place (43%) or individual policies direct from an insurance company (29%). Small numbers of students have obtained insurance through the military (6%) or through a Health Maintenance Organization (6%). Only 3% of the sample had the University's student health in-

surance policy. The remainder of the sample have no health insurance, as noted previously.

We went on to investigate subgroup differences in sources for health insurance. While for all subgroups, insurance was most often obtained through the workplace of themselves or their families, other sources were differentially used by the various subgroups.

Females (24%) were less likely to obtain insurance directly from the insurance company than were males (37%). This finding is not surprising, given our earlier finding that males more often obtain insurance on their own. Females apparently more often rely on a family member who receives insurance benefits from work or military.

A somewhat larger percentage of older students than younger ones subscribed to the University policy (older, 7%; younger, 2%) or belonged to a HMO (older, 10%; younger, 4%). These older students less frequently obtained their insurance directly from an insurance company (older, 17%; younger, 32%).

Quite similar results were obtained for students in various places of residence, probably due to younger students more often living in dorms or with parents. Fewer dorm (5%) and at home (3%) students belong to HMO's as compared to students living independently (12%); dorm (31%) and at home (37%) students more often than independants (16%) bought insurance directly from insurance companies.

There were no differences in sources of insurance for students of different races, beyond the previously-noted

finding that fewer Asian and Other race students had any insurance.

Comparing part-time and full-time students, we found that part-timers (21%) more often belonged to HMO's than did full-timers (5%), while fewer part-timers (10%) than full-timers (30%) bought insurance directly.

In sum, males, younger students, dependent students, and part-timers had more of a tendency to buy insurance directly, although the workplace was still the major souce for students in all subgroups. It would seem that such students would be prime targets for a university policy since such a group policy could certainly compete favorably with policies offered independently through insurance companies directly.

Current Student Health Insurance

Knowledge of University Policy. With so few students subscribing to the current university insurance plan, we wondered how widely known the existence of the policy was and why students usually chose not to subscribe.

Slightly more than half (54%) of the respondents had not heard of the university health plan. While some students had more than one reason for not subscribing to it even if they had heard of it, the most common reason was having coverage elsewhere (43%). Some students thought the current plan provided inadequate coverage for their needs (either too little or too much) (6%) or found the cost prohibitive (7%). There were only a very few students (2%) whose reason for not subscribing to the university plan was that they thought they did not need health insurance at all.

How did these attitudes differ for various student subgroups? We found no differences across subgroups in the percentages of students who had heard of the University plan. Thus, males had no more and no less knowledge of the University plan than did females, older students did not differ from younger students, etc.

Reasons for Not Subscribing. However, when students had heard of the University's plan, often the reasons for not choosing it were different depending on a student's demographic characteristics. Males (10%) more often than females (4%) saw the University plan as inadequate for their needs.

Older students (21%) more often found the coverage inadequate than did younger students (2%), and more older students (16%) thought the cost was too high (younger, 4%). Younger students (46%) more often did not subscribe due to having coverage elsewhere (older, 32%).

The major difference across racial groups in their reasons for not choosing the University plan was in whether they had insurance coverage elsewhere. Whites (47%) more often used this reason than did Blacks (34%), who in turn more often use this reason than did Asians (12%) or students of other races (12%).

There were no differences for student status (full- versus part-time) or residence on reasons for not subscribing. Apparently physical demographic characteristics such as sex, age, and race were more important in determining a student's insurance needs and thus their reaction to the University plan than were the more temporary characteristics such as status or residence.

These results have clear implications for University policy and practice. First, advertisement of a university health insurance policy should be done, so that more than half the students become aware of such a policy. In addition, a new policy could best be adopted if it better suited the needs of males and older students and had a lowered cost so as to be obtainable by more older students. Since these appear to be rather different insurance needs, depending upon student characteristics, it might also be advisable to offer two types of coverage: one for the more traditional-aged dependent student and one for the independent or older student.

Changes in Student Health Insurance Plan

Interest in a New Plan. A major goal of this study was to determine whether there are students who would be interested in obtaining student health insurance if the plan were more suited to their needs. The data showed a quite dramatic difference between the number of students currently subscribing to the university plan and the number who would be interested in subscribing if a different plan were offered. It will be recalled that only 3% of our sample currently held university insurance. However, 35% stated a potential interest in the plan if changes were made. It appears that there is a large untapped interest in a university health plan, if the plan was more responsive to the students' needs.

In particular, a new university health plan should consider the needs of two specific student subgroups, since these students seem to be much more interested in a new plan. As we mentioned

previously, the less traditional type of student (older and independent) is apparently not being served as well by the current plan as are the more traditional types. We found that students over the age of 22 were more interested in a changed plan (40%) than were younger students (24%). Students living off-campus independently also had greater interest (49%) than on-campus students (32%) or those living with parents (39%). Both older and independent students (there is clearly much overlap between those categories) seem to be quite interested in a student health plan but find the current one not suitable to them.

Coverage Needs. With so many students having an interest in a changed university health plan, what would they like changed? We listed eight areas of coverage, and asked students to check all those which they would want covered in a new policy.

Emergency coverage was the most popular area desired (46%), followed by laboratory tests (41%), in-patient coverage (39%), out-patient coverage (38%), and prescription drugs (37%). While the above areas were in demand to a similar extent, the other areas showed a much-lessened demand. Psychiatric (14%) and maternity coverage (14%) were the next-most popular, followed by coverage for spouse and/or children (12%).

In all areas, older students were more interested in coverage than were younger students. Emergency (57%) and out-patient coverage (54%) were the most desired by older students, followed by in-patient (51%), laboratory tests (51%), and prescription drugs (46%). While psychiatric, maternity, and spouse/family coverage were also more popular among older stu-

dents than among younger students, the actual number of such students wanting coverage in these areas was quite small (e.g, a total of 41 students wanted spouse/family coverage).

There were differences across racial groups in interest in prescription drug and laboratory test coverage, but not in any other areas. Blacks were most interested in obtaining coverage in these areas (52% of blacks were interested in each area), followed by Whites (39%, laboratory tests; 34%, prescription drugs), Orientals (26%, lab; 21%, drugs) and students of other races (o% lab; 12%, drugs).

Finally, off-campus independents also seemed to have some needs distinct from those of other students. Regarding the psychiatric area, 26% of the off-campus independents wanted such coverage, in contrast to 12% of those living with parents and 9% of dormitory residents. 21% of off-campus independents wanted maternity coverage, compared to 16% of those at home and 9% in the dorms. While, as it might have been suspected, more off-campus independents would want spouse/family coverage (18%), it was rather surprising that 14% of those living with parents and 7% of dorm residents wanted this coverage. It seems that students may be planning ahead in considering insurance coverage.

The above results consider responses to each coverage area separately. What is the combination of areas that is most desired? Because there are so many possible combinations of the eight areas, no one combination received a large number of responses. The most popular combination, however, was checked by 18% of the students potentially interested in university health

insurance; this combination covered in-patient, out-patient, emergency, prescription drugs, and laboratory tests.

This coverage combination was the most popular one for most of the student subgroups. The only exception was for the part-time students, who favored (27%) a health plan encompassing all eight areas. It is also noteworthy that although the older students primarily favored either the 5-area combination above (12%) or all eight areas (12%), similarly to other students, these older students had a greater diversity of coverage needs than did other student subgroups. In planning a university health policy, it may be wise to consider this diversity of a significant student subgroup.

Maximum Fee. We then asked the students how much they would be willing to pay for the desired coverage, and we listed four payment categories ranging between $50 and $130. Students were quite evenly divided among the four categories, with about a fourth checking each.

Perhaps due to a more realistic idea of insurance costs or a greater ability to pay, older students were more willing to pay a higher premium than were younger students (38% of the older students were willing to pay $111-130, while 15% of the younger students would pay this much). Orientals and students of other minority races were also less willing to pay the higher premiums than were Blacks and Whites. None of the Orientals and only 21% of the other race students would pay more than $90, while 36% of the Blacks and 51% of the Whites would pay that much.

We also calculated how large a premium students would be

willing to pay for the more popular coverage packages. Of these students wanting the most popular package (in-patient, out-patient, emergency, prescription drugs, and laboratory tests), the largest number were willing to pay $91-110 for this coverage. Most of the students wanting all eight areas covered would pay $110-130 (64%).

Who Pays. If a student bought health insurance, would he or she be paying for it on his/her own? Most students (60%) said they would be paying for it themselves. More males (70%) than females (55%), more older students (88%) than younger (51%), and more off-campus independents (90%) than students living with parents (50%) or in dorms (52%) would be paying themselves. Clearly, marketing an insurance policy to the students themselves rather than parents is indicated, particularly to meet the needs of the more independent, older students.

Mandatory Policy. One possible way of lowering costs of a university health plan would be to make a rule that a student must have the university policy, obtain another policy or sign a waiver. While such a rule might allow the cost of the university policy to be within the reach of more students, it is a rule that may not be to the liking of many students. We asked our respondents whether they would favor such a rule, if it did reduce costs. Students were about evenly split in their responses, with 49% favoring a rule and 51% opposing it. It would seem, then, that a significant number of students oppose such a rule, so that if without this rule a policy could be obtained costing in the ranges that students said they were willing to pay, it may be better to avoid such restrictions.

SUMMARY AND RECOMMENDATIONS

1. An educational approach should be taken to teach students about the needs for health insurance.

With more than a tenth of UMBC students having no insurance coverage, it is important for the University to make sure that students know of the risks involved in having no coverage. In many other aspects of student life, the University very actively provides services to make sure that extraneous variables do not interfere with students completing their education. Having to pay directly for treatment of health problems would pose a major problem for most students trying to continue their education; this area, then, is one that would benefit from some preventive education. Many students depend on their parents' policies to cover them up to age 22, but we find a rise in the number of students in their later 20's having no insurance. While some such students may feel they cannot afford to buy coverage, many may not have realized the need for it or the availability of low-cost policies. Focusing an education program on students in their 20's, and giving a more general preventative program for younger students would help students avoid problems due to costly medical care.

In addition, such a program could be helpful in a more long-term University goal of producing students who will be educated, contributing citizens in their communities. As responsible adults, they will need to understand the necessity of providing for health care. Helping students to begin to make educated decisions about health insurance early in their lives would be an important step towards preparing them for responsible living.

A particularly important student subgroup to reach with such a program is the non-Black minorities. These minority groups had disproportionate numbers of students who had no insurance, and fewer of these students saw a need for insurance to cover prescription drugs or laboratory tests. While cultural differences need to be respected, these students may simply have had less opportunity to learn about health insurance. An education program could be offered to help them at least make informed decisions.

2. A more wide-spread dissemination of information about the student health insurance plan is needed.

Slightly more than half the students in our survey had never heard of the university plan. While some students may have parents who take responsibility for the students' insurance coverage, the increasingly-large number of independent students must become aware of the university plan before they can consider purchasing it. With the majority of our students saying they would be paying for their own insurance if they got it, UMBC must do a better job of publicizing the existence of a low-cost student plan. For example, instead of sending incoming students the insurance brochures in a large packet of UMBC information, it may be more productive to explain the student plan at orientation. A special effort should be made to publicize the plan to 21-year olds, since many will need to obtain their own policies after their parents' policy ceases coverage when the student becomes 22.

It is particularly striking to note the lack of specific knowledge about the current policy. A third of the students said

they would be interested in buying university insurance if a different plan were offered, but these students then proceeded to outline a plan of preferred coverage that is little different from the currently-offered student insurance plan. They may have assumed the current coverage was inadequate, without actually knowing the details of the plan.

3. It is important to find a way to lower the cost of student health insurance.

While the current plan costs $99 per year, students said they would be interested in a comparable plan costing $91-110 per year. Most students would pay for their own insurance, and the most uninsured group is the students in their 20's, who probably have the least financial resources. Students may be somewhat unrealistic about the cost of insurance, but even better knowledge of actual costs may not offset the effect of a limited income. A very important part, then, of the University's choice of insurance plan should be cost, and perhaps, a payment plan which would allow students to pay in smaller installments.

One clue for finding a cheaper plan comes from the students' openness to consider a (mandatory) policy under which a student must have the university plan, another plan, or sign a waiver. Students were evenly split on this question. Since cost seems to be a major consideration for many, if a mandatory policy would reduce costs significantly, it may be a reasonable option. A study by Flynn (1979) indicated that there is some relationship between a university's having such a policy and student enrollment in the university health plan. Apparently a policy of mandatory

health insurance can have at least two positive effects: it can lower insurance costs and it can boost the number of students having student health insurance.

Perhaps a few insurance areas currently covered could be dropped, if that would lower costs. For example, the current plan includes accident benefit for dental injury, hospital confinement and for mental disorders. While such benefits may be indicated for other populations, it is possible that they are less important to students than are the more basic areas (e.g., most students in our survey had much less interest in psychiatric coverage than they did in many other areas). A thorough review of all potential student insurance plans should be undertaken to make sure that the basic areas are covered and that the cost is minimal.

4. More areas could be usefully added as options in the current plan to make it more responsive to the needs of non-traditional-aged students.

The current plan offers the option of a student's spouse and children being covered, a useful option needed by some older and independent students. But family coverage is just one of many benefits that may be needed by these students; we found them to be quite a diverse group with wide-ranging needs. Other insurance areas in which they are more interested than their younger peers are psychiatric and maternity coverage, which could be added as options in a more basic coverage package. The needs of these students are particularly important to consider as they become an increasingly sizable percentage of our population.

A similar suggestion was made in a marketing study by Leopold

(1980), who found that different types of students may have different decision-making strategies when considering buying insurance. In that paper, it was suggested that "marketing a health insurance policy to the student body as a whole may be a mistake" (p.10); instead using different marketing approaches for different study types may be more effective. In our study, we were more concerned with actual coverage needs, but the conclusions remain the same as Leopold's: the student population is not a unitary entity, and we need to acknowledge students' diversity by providing an optimally flexible health insurance plan.

ADDENDUM

As a result of the Health Insurance Survey, the Student Health Services negotiated another insurance policy with a new company for Fall 1981. The policy advertising was increased to a mail-out to all registered students in July and a second mail-out for all students who registered after that date in the Fall 1981, at the company's expense. The brochure includes Student Health Services and Counseling Center hours.

The need for health insurance and the availability of the policy was addressed at orientation, in the catalogue, and in the hours information sheet at the Student Health Services. Participation has increased by 8%. The Student Health Services also added an insurance question to the history sheet which the students send to the Health Services prior to attending school.

A greatly improved policy is being developed. When requesting prices, the companies will include a price with and without a University Insurance Statement for a waiver. Following receipt of this information the Student Health Services will evaluate the need for a proposal for an insurance statement from the University.

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